

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

IN RE: MERCY HOSPITAL, IOWA CITY, IOWA, <i>et al.</i> , Debtors.	Chapter 11 Bankruptcy Case No. 23-00623 SECOND STATUS REPORT
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COMES NOW Dan R. Childers, in his sole capacity as Trustee of the Mercy Hospital Liquidation Trust, and hereby respectfully submitted this Second Status Report:

1. Since the filing of the Trustee's First Status Report (Dkt #1258), the Trustee and his advisors and professionals have examined all the Administrative Claims that have been filed with Epiq. The total amount of all filed Administrative Claims is approximately \$11,000,000.00. As a result of efforts from the Trustee's Team, *Orders have been enrolled by this Court disallowing approximately \$4,000,000.00 of filed Administrative Claims.* In other words, so far the Trust has saved the Estate approximately \$4,000,000.00 of administrative liability, thereby freeing more assets that may eventually be available for distribution to the general unsecured claims (such as the pensioners' claims and the Bond-Holders' under-secured claim). Indeed, the *Trustee and his financial advisor have commenced payment of various allowed Administrative Claims.* There are a few Administrative Claims that the Trustee and his Team are continuing their efforts at resolving potential objections. In the interest off saving expenses and conserving judicial resources, the Trustee and his Team are attempting to resolve as many disputes as reasonably possible, so that hopefully very few (if any) disputes may need court intervention.

2. The Trustee has also been in contact with newly-retained Counsel who serve the various pensioners, and the parties are attempting to reach an arrangement whereby a new Plan Administrator can be in place, and also to enable an independent Committee to work with Counsel to formulate a path forward, concerning the Defined Benefit Pension Plan. Ideally, a consensus can be reached, resulting in an Order from this Court that will enable the Pension Plan to move forward.
3. The deadline to object to the approximately 800 filed general unsecured claims is mid-January, however the Trustee has requested an extension of time. The Trustee's financial advisor has been marshaling and reviewing the claims with the view toward objecting to claims that are invalid and should not be allowed. Again, the Trustee is cognizant of preserving Estate assets, and the Trustee and his Team are developing a threshold below which no Estate resources will further be exerted, bearing in mind if the eventual dividend is of such magnitude that the net dollars available to claimants that it is not worth the cost of objection.
4. The Trustee has also hired a new realtor, relative to a building located in downtown Iowa City (the MOB). In mid-December, the MOB experienced water damage. The Trustee has been coordinating remedial measures. Upon information and belief, any loss should be covered by insurance procured by the Trustee and his advisors shortly after the Trustee's appointment in August 2024, or below the deductible. Further, upon review by the Trustee's professionals, there may be real estate easement issues that may require further discussions and arrangements with

the University of Iowa (which purchased the real estate adjacent to the MOB) or eventually intervention by this Court.

5. With respect to the one Joint Venture left to be administered by the Trust (*viz.* the ASC Joint Venture), ASC has engaged a valuation expert agreed upon by all parties, the goal being hopefully to derive a value to which all parties can stipulate, so that eventually an agreement for a sale can be reached.

WHEREFORE, the Liquidation Trustee respectfully submits this Second Status Report.

/s/ Dan Childers

Dan Childers

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TRUSTEE OF MERCY HOSPITAL LIQUIDATION TRUST

Certificate of Service

The undersigned certifies, under penalty of perjury, that on this 16th day of January, 2025, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case.

/s/Beth Hawker